

Town of Framingham

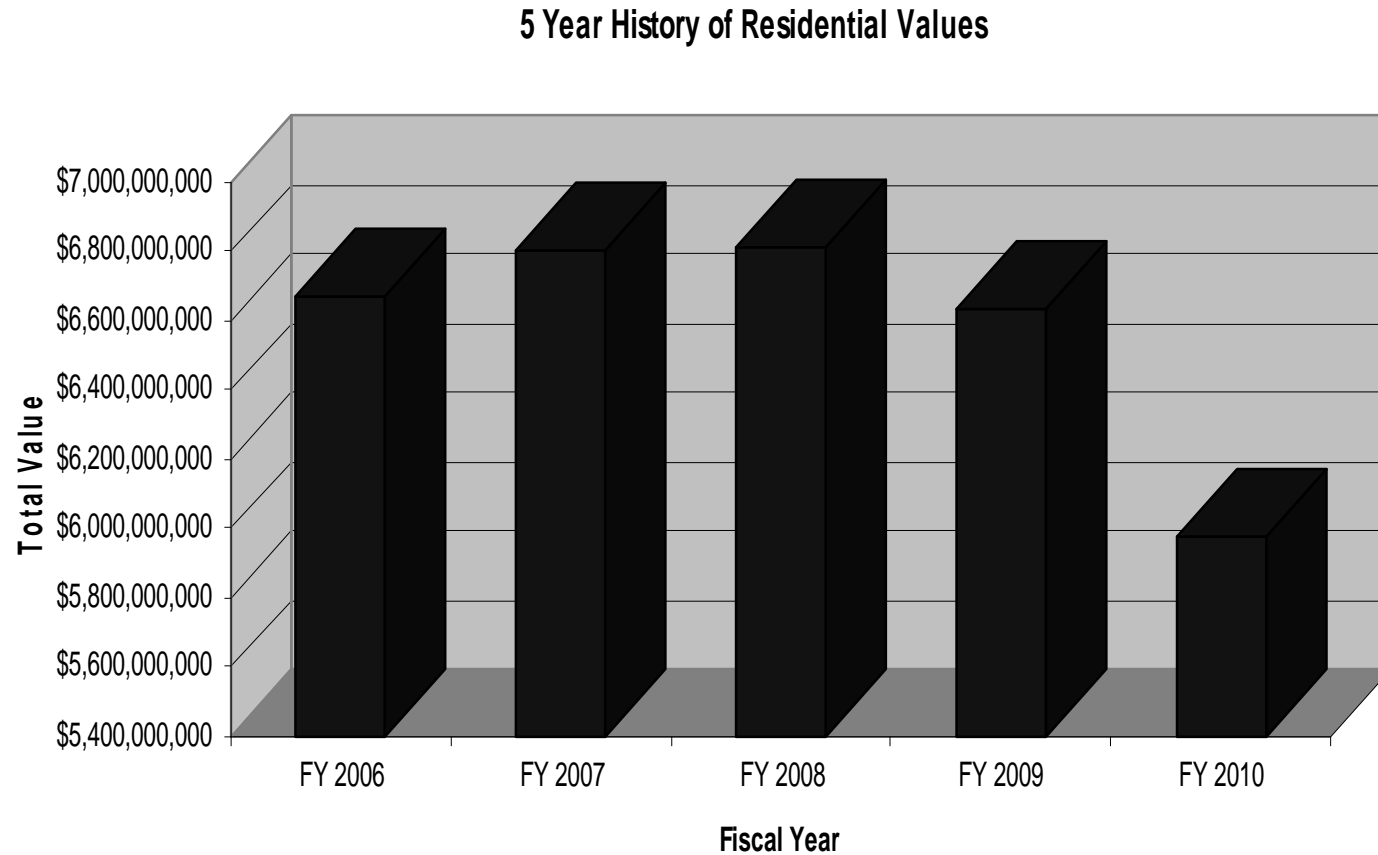
FY 2010 Classification Hearing
Tuesday, December 15, 2009

Presented by the
Framingham Board of Assessors

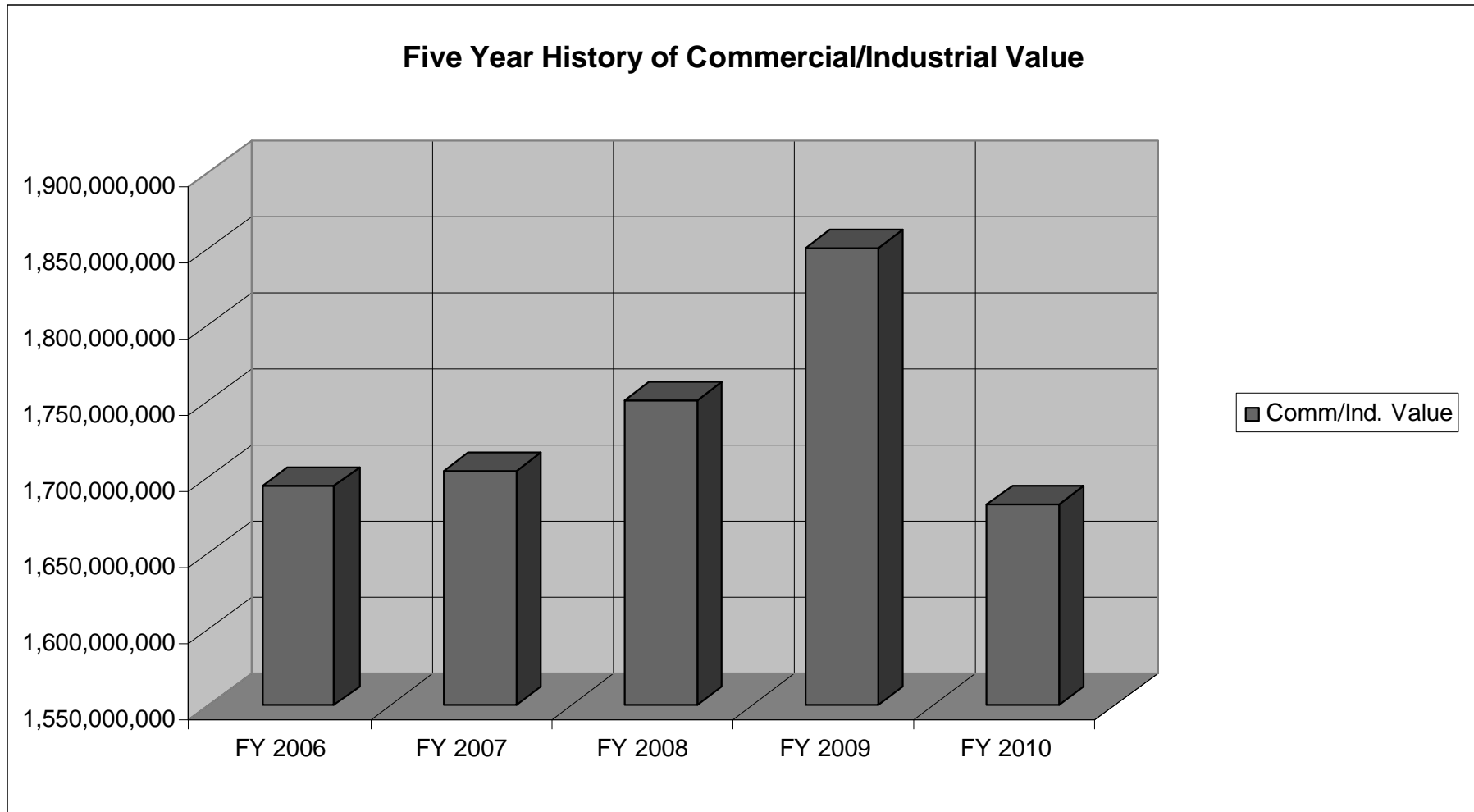
FY2010 Classification Hearing

- **Overall Value Change from Fiscal 2009-2010**
- **New Growth Collected from Building Permits & Cyclical Inspections**
- **Five Year History of New Growth**
- **Five Year History of the Average Single Family Tax Bill**
- **Commercial Tax Analysis**
- **Development of a Single Tax Rate**
- **Application of the CIP Shift to the Tax Rate**
- **Tax Rates Scenarios with 1% Incremental shifts**

Residential Property Value Chart



Commercial & Industrial Property Value History



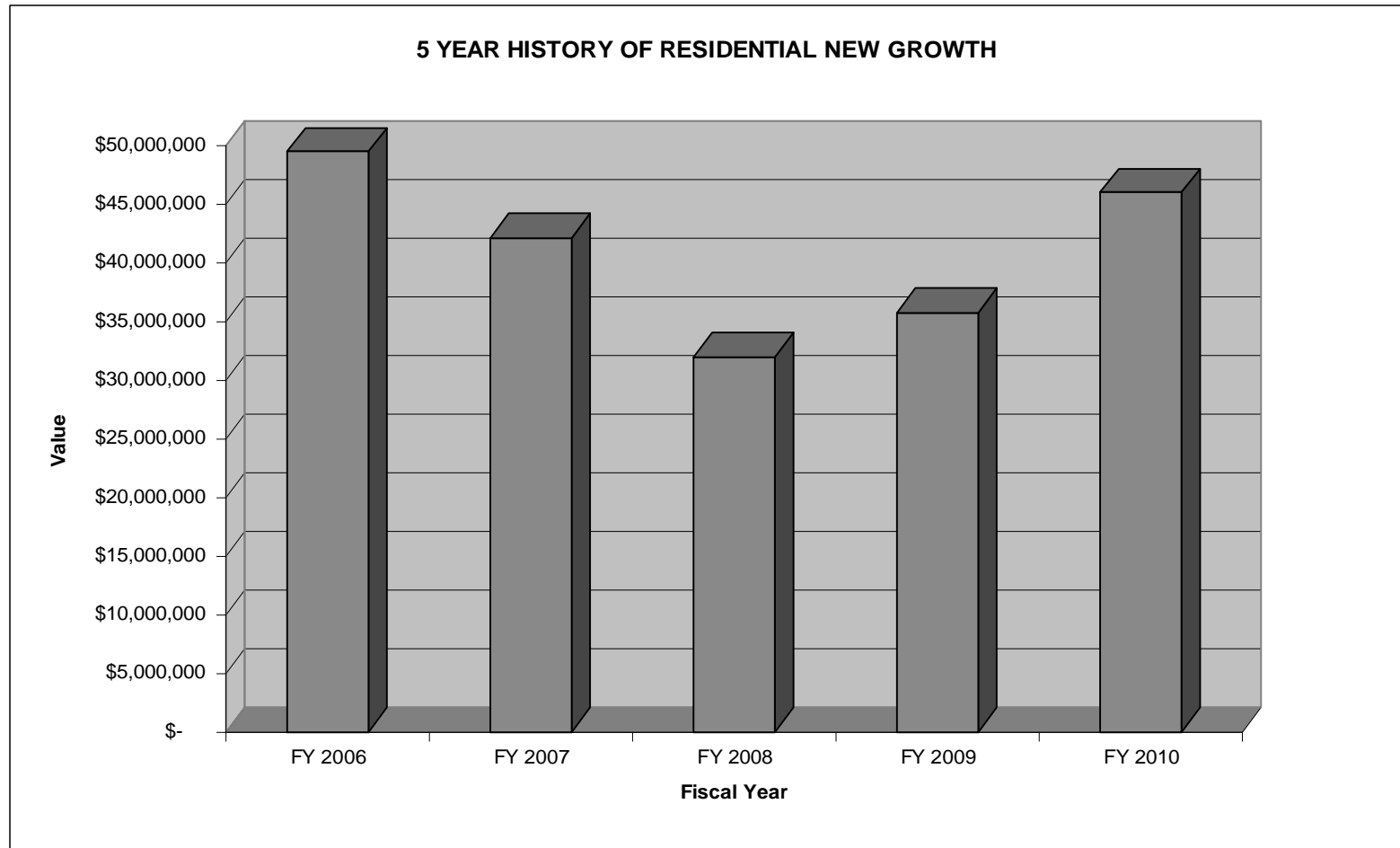
Value Change From FY 2009 – FY 2010

	FY 2009		FY 2010		OVERALL CHANGE	
	ASSESSED	% OF	ASSESSED	% OF	ASSESSED	% OF
	VALUATION	TOTAL	VALUATION	TOTAL	VALUATION	TOTAL
PROPERTY CLASS						
RESIDENTIAL (R)	6,632,001,517	75.93%	5,981,560,227	75.39%	-650,441,290	-9.81%
OPEN SPACE (O)	0	0.00%	0	0.00%	0	0.00%
TOTAL R O :	6,632,001,517	75.93%	5,981,560,227	75.39%	-650,441,290	-9.81%
COMMERCIAL (C)	1,563,465,663	17.90%	1,433,528,853	18.07%	-129,936,810	-8.31%
INDUSTRIAL (I)	286,796,500	3.28%	249,292,200	3.14%	-37,504,300	-13.08%
PERSONAL (P)	252,186,907	2.89%	270,100,034	3.40%	17,913,127	7.10%
TOTAL C I P :	2,102,449,070	24.07%	1,952,921,087	24.61%	-149,527,983	-7.11%
TOTAL TOWN :	8,734,450,587	100.00%	7,934,481,314	100.00%	-799,969,273	-9.16%

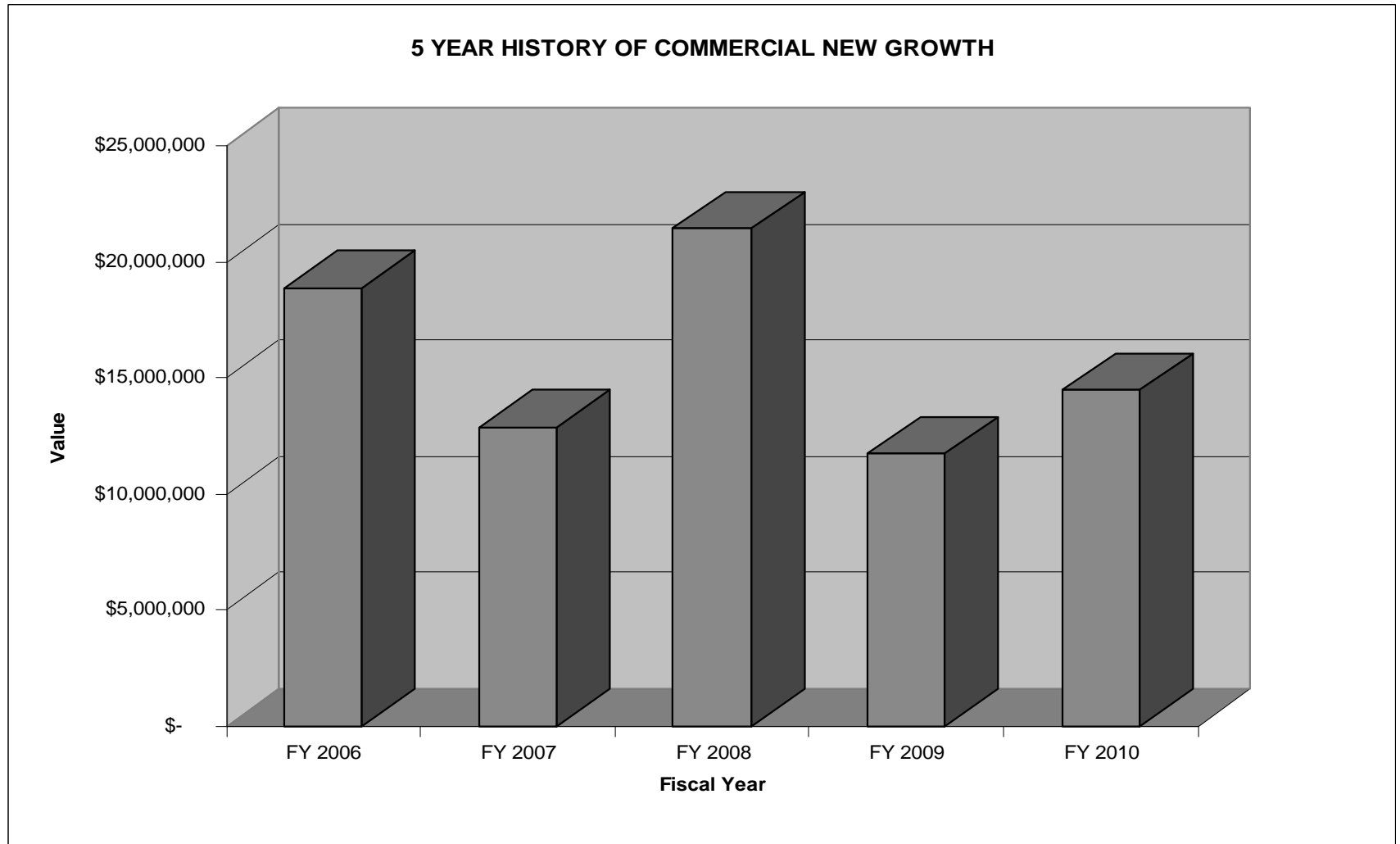
FY 2010 New Growth

PROPERTY CLASS	NEW GROWTH VALUE	% OF TOTAL NEW GROWTH	PRIOR YEAR TAX RATE	NEW GROWTH LEVY	% NEW GROWTH
RESIDENTIAL (R)	\$45,987,492	49.14%	\$12.83	\$590,020	29.63%
OPEN SPACE (O)	\$0	0.00%	\$12.83	\$0	0.00%
TOTALS R O :	\$45,987,492	49.14%		\$590,020	29.63%
COMMERCIAL (C)	\$14,464,047	15.46%	\$29.45	\$425,966	21.39%
INDUSTRIAL (I)	\$2,518,009	2.69%	\$29.45	\$74,155	3.72%
PERSONAL PROPERTY (P)	\$30,609,746	32.71%	\$29.45	\$901,457	45.26%
TOTALS C I P :	\$47,591,802	50.86%		\$1,401,579	70.37%
TOTALS ALL PROPERTY	\$93,579,294	100.00%		\$1,991,598	100.00%

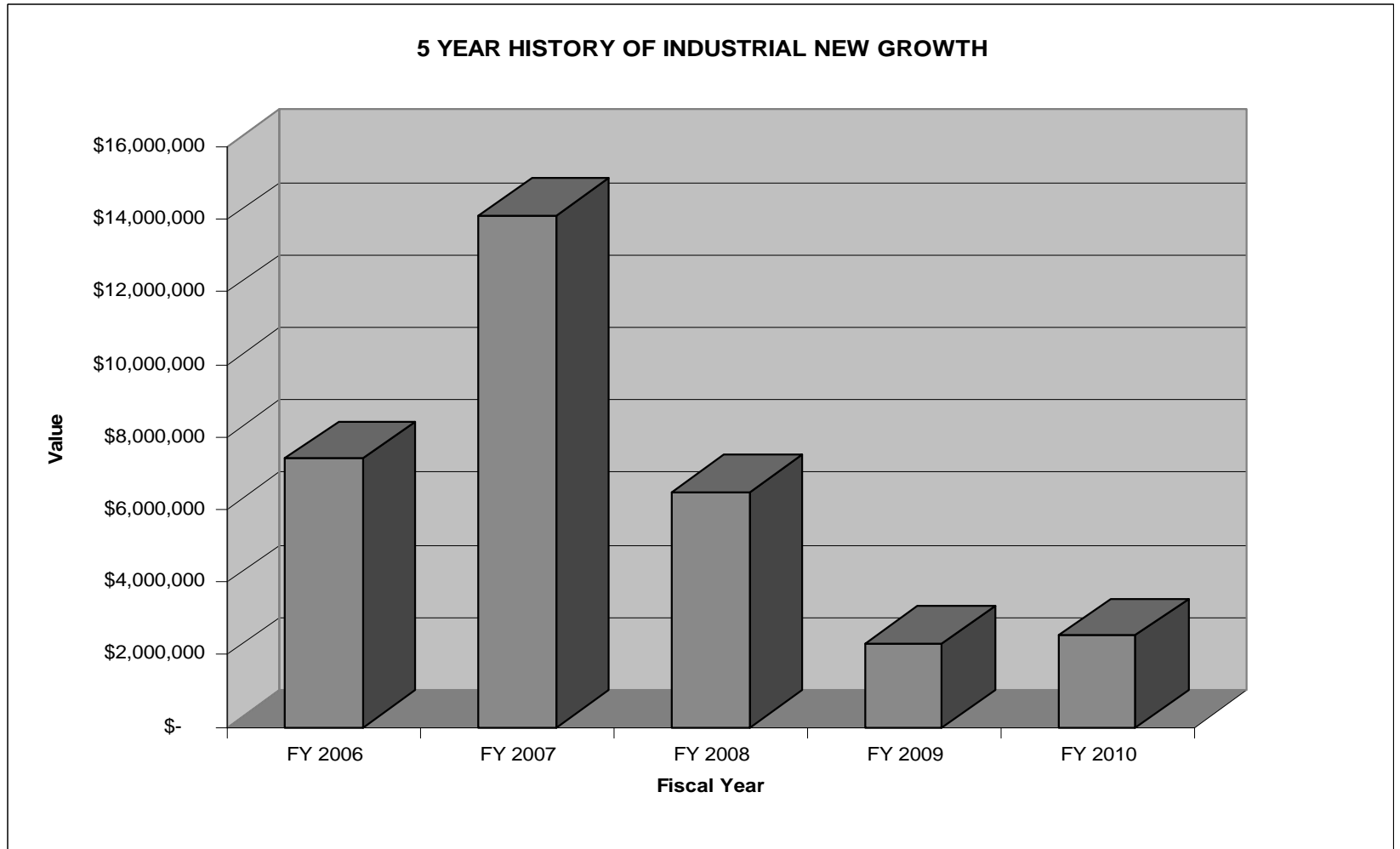
Residential New Growth Chart



Commercial New Growth Chart



Industrial New Growth Chart



Town of Framingham Annual Tax 5 Year Average For Single Family Homes

[illegible]

Town of Framingham

Commercial Tax Analysis

- Sample taken from properties located on Worcester Rd from the Commercial Class
- Sample properties taken from four levels of Overall Assessed Value
- The properties used reflect properties that had no physical change from permitting or data errors discovered during the course of this years analysis

Town of Framingham

Commercial Tax Analysis

Assessment Range	FY 2009 Assessed Value	FY 10 Tax Rate	FY 2009 Tax	FY 2010 Assessed Value	FY 10 Tax Rate	FY 2010 Tax	Dollar Amt Change	Pct. Change
\$200,000 to \$500,000	\$337,900.00	\$29.45	\$9,951.16	\$315,600.00	\$33.68	\$10,629.41	\$678.25	6.82%
\$500,001 to \$1,000,000	\$559,120.00	\$29.45	\$16,466.08	\$524,760.00	\$33.68	\$17,673.92	\$1,207.83	7.34%
\$1,000,001 to \$5,000,000	\$1,989,340.00	\$29.45	\$58,586.06	\$1,859,760.00	\$33.68	\$62,636.72	\$4,050.65	6.91%
\$5,000,001 to \$10,000,000	\$7,774,300.00	\$29.45	\$228,953.14	\$7,240,300.00	\$33.68	\$243,853.30	\$14,900.17	6.51%

* Fiscal Year 2010 analysis assumes that the tax rate will be based upon the maximum allowable shift

FY 2010 Calculation of the Tax Rate

Step 1 – Establish Property Values

Total Value of all
Property Classes
\$ 7,934,481,314

```
graph TD; A["Total Value of all Property Classes  
$ 7,934,481,314"] --> B["Residential Value  
$ 5,981,560,227  
(75.387%)"]; A --> C["C. I. P. Value  
$ 1,952,921,087  
(24.613%)"];
```

Residential Value
\$ 5,981,560,227
(75.387%)

C. I. P. Value
\$ 1,952,921,087
(24.613%)

FY 2010 Calculation of the Tax Rate

Step 2 – Determine Uniform Tax Rate (Single Rate for all Classes)

$$\text{Tax Levy/Total Value} = \text{Rate}$$
$$\text{\$ 152,705,218} / \text{\$ 7,934,481,314}$$

Single Tax Rate of \$19.25
(.01925)

FY 2010 Calculation of the Tax Rate

Step 3 – Application of the Shift

- Estimate C.I.P of 1.75
- C.I.P Percentage Total Value x Shift:
 - $(24.613\% \times 1.75 = 43.072\% \text{ Share})$
- New C.I.P Share Multiplied by the Levy
 - $(43.072\% \times \$152,705,218 = \$65,773,191.50)$
- New CIP Taxes divided by Total CIP Value
 - $(\$65,773,191.50 / \$1,952,921,087 = .03368)$
- C.I.P Tax Rate of \$33.68

FY 2010 Calculation of the Tax Rate

Step 3 – Application of the Shift

- Estimated CIP Shift of 1.75
- Establish Effective Residential Shift :
 - $(100\% - 43.072\% \text{ CIP Share} = 56.928\%)$
- New Residential Share Multiplied by the Levy
 - $(56.928\% \times \$152,705,218 = \$86,932,026.50)$
- New Residential Share divided by Total Residential Value
 - $(\$86,932,026.50 / \$5,981,560,227 = .01453)$
- Residential Tax Rate of \$14.53

FY 2010 Calculation of the Tax Rate

Step 4 – Results

Estimated
1.75 Shift

```
graph TD; A[Estimated 1.75 Shift] --> B[Residential Tax Rate $14.53 (56.928%)]; A --> C[C. I. P. Value $33.68 (43.072%)]
```

Residential Tax Rate
\$14.53
(56.928%)

C. I. P. Value
\$33.68
(43.072%)

Tax Rates w/1% Shifts

	FY 2010 Average Single Family Property Value					\$342,885
	FY 2010 Total Number of Single Family Parcels					13,343
						-
	FY 2009 Average Single Family Property Value					\$369,018
	FY 2009 Average Single Family Property Tax					\$4,734.50
	FY 2009 Tax Rates					
	FY 2009 Residential Tax Rate		<u>\$12.83</u>	FY 2009 Commercial Tax Rate		<u>\$29.45</u>
	Single-Family	Single-Family				
RATE SHIFT	AVG FY 2010 TAX BILL	AVG FY 2010 CHANGE	R.O. % OF LEVY	C.I.P. % OF LEVY	R.O. TAX RATE	C.I.P. TAX RATE
65%	\$5,198.64	\$464.14	59.39%	40.61%	\$15.16	\$31.76
66%	\$5,177.09	\$442.59	59.14%	40.86%	\$15.10	\$31.95
67%	\$5,155.55	\$421.05	58.90%	41.10%	\$15.04	\$32.14
68%	\$5,134.00	\$399.50	58.65%	41.35%	\$14.97	\$32.33
69%	\$5,112.46	\$377.96	58.40%	41.60%	\$14.91	\$32.53
70%	\$5,090.91	\$356.41	58.16%	41.84%	\$14.85	\$32.72
71%	\$5,069.36	\$334.86	57.91%	42.09%	\$14.78	\$32.91
72%	\$5,047.82	\$313.32	57.67%	42.33%	\$14.72	\$33.10
73%	\$5,026.27	\$291.77	57.42%	42.58%	\$14.66	\$33.30
74%	\$5,004.73	\$270.23	57.17%	42.83%	\$14.60	\$33.49
75%	\$4,982.15	\$247.65	56.93%	43.07%	\$14.53	\$33.68